REPORT OF THE
SECRETARY OF HEALTH AND
HUMAN RESOURCES

THE CONSOLIDATION OF STATE LEVEL AGING AND LONG-TERM CARE SERVICES FOR THE ELDERLY AND PEOPLE WITH DISABILITIES

TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA

HOUSE DOCUMENT NO. 5

COMMONWEALTH OF VIRGINIA
RICHMOND
1995

THE CONSOLIDATION OF STATE LEVEL AGING AND LONG-TERM CARE SERVICES FOR THE ELDERLY AND PEOPLE WITH DISABILITIES

PREFACE

House Joint Resolution 209 of the 1994 Session of the Virginia General Assembly requested that the Secretary of Health and Human Resources, in cooperation with appropriate state and local agencies and organizations, review the plan for state level consolidation of certain long-term care and aging services within a single state agency and develop a plan for the coordinated delivery of such services at both the state and local levels. This report presents the plan for state level consolidation of aging and long-term care services for the elderly and people with disabilities.

THE CONSOLIDATION OF STATE LEVEL AGING AND LONG-TERM CARE SERVICES FOR THE ELDERLY AND PEOPLE WITH DISABILITIES

APPENDICES

THE CONSOLIDATION OF STATE LEVEL AGING AND LONG-TERM CARE SERVICES FOR THE ELDERLY AND PEOPLE WITH DISABILITIES

EXECUTIVE SUMMARY

House Joint Resolution No. 209 of the 1994 Session of the General Assembly requested the Secretary of Health and Human Resources to review the plan for state-level consolidation of certain long-term care and aging services within a single state agency and develop a plan for the coordinated delivery of such services at both the state and local levels. The resolution requested that the plan address the manner in which long-term care and aging services currently available through the State Department of Social Services and local departments of social services, including adult services, adult protective services and auxiliary grant payments, will be delivered and identify any state and local costs associated with the plan. This report presents the Secretary's plan for reforming the state level administration of aging and long-term care services for the elderly and people with disabilities. Recommendations regarding any needed changes in the delivery of services at the local level will be developed throughout the next year and submitted to the Joint Commission on Health Care, the Governor, and the General Assembly.

There are several trends which make long-term care a significant public policy issue and which suggest that changes are needed in the way in which aging and long-term care services are managed and delivered. Growth in the population needing long-term care, the diminished capacity of family members to provide long-term care to their loved ones on a full time basis, and high health care costs have all contributed to the increased cost of public and private expenditures for long-term care. This report reviews the numerous efforts that have been made since the early 1980s to improve the Commonwealth's long-term care system. It describes the inadequacies and duplication of effort in our system that consume substantial sums of money and yet offer the elderly and people with disabilities few choices in the provision of services.

This report presents a plan for reforming and simplifying the administration and management of state level long-term care services by consolidating aging and long-term care services for the elderly and people with disabilities. The plan creates a new division within the Department of Medical Assistance Services (DMAS) dedicated to aging, disability and long-term care services and identifies the functions, programs and services that are currently provided by six Health and Human Resources agencies that are to be consolidated within this Division. It describes the organizational structure and functions of the operating units within the newly established Division of Aging, Disability and Long-Term Care Services, and highlights the improved opportunities and efficiencies that can be achieved through enhancing the management of long-term care services.

In addition to simplifying the administration and management of long-term care, the plan for consolidation promotes consumer empowerment, enhances the state's ability to promote prevention, enhances quality, provides for the efficient delivery of aging, disability and long-term care services and allows for consideration to be given to including additional long-term care related programs and services within the Division of Aging, Disability and Long-Term Care Services. Finally, the consolidation of the services of the Department for the Aging with services now housed in other Health and Human Resources agencies strengthens the State's commitment to services to Virginia's elderly and disabled citizens.

THE CONSOLIDATION OF STATE LEVEL AGING AND LONG-TERM CARE SERVICES FOR THE ELDERLY AND PEOPLE WITH DISABILITIES

TABLE OF CONTENTS

THE CONSOLIDATION OF STATE LEVEL AGING AND LONG-TERM CARE SERVICES FOR THE ELDERLY AND PEOPLE WITH DISABILITIES

I. INTRODUCTION

House Joint Resolution No. 209 of the 1994 Session of the Virginia General Assembly requested that the Secretary of Health and Human Resources, in cooperation with appropriate state and local agencies and organizations, review the plan for state-level consolidation of certain long-term care and aging services within a single state agency and develop a plan for the coordinated delivery of such services at both the state and local levels. The resolution requested the plan address the manner in which long-term care and aging services currently available through the State Department of Social Services and local departments of social services, including adult services, adult protective services and auxiliary grant payments, will be delivered and identify any state and local costs associated with the plan. This report presents the plan for the state level consolidation. A plan for coordinating and enhancing service delivery at the local level will be submitted to the General Assembly in October, 1995.

II. BACKGROUND

The 1993 General Assembly adopted the following policy for long-term care in the Commonwealth: "to provide services to individuals with programs and in settings which maximize their ability to function as independently as possible and which encourage the principles of personal dignity, a decent quality of life, individuality, privacy, and the right to make choices."

In 1990 the Joint Subcommittee on Health Care for All Virginians reported the following problems in Virginia's long-term care system:

- a lack of strong leadership at the state level to coordinate services among the state agencies;
- a fragmented service delivery system in most localities; and
- an inadequate supply of community services across the State.

Past Efforts to Improve Virginia's Aging and Long-Term Care Services

Since the early 1980's, numerous efforts have been made to improve the long-term care system in the Commonwealth.

Medicaid Nursing Home Pre-admission Screening Program Expanded. In 1982, Virginia's nationally recognized Medicaid Nursing Home Pre-admission Screening Program was expanded to include persons in hospitals and persons who may become Medicaid eligible within six months of admission to a nursing home. Through this program, individuals whose needs could be met in the community were identified and alternatives to institutional care were offered. This included Medicaid funded personal care services.

Numerous Studies Completed. Numerous studies of long-term care services were completed over the years. Topics of review included the public and private costs of long-term care services, guardianship, the quality of care in homes for adults (now called adult care residences) and the aftercare needs of mentally disabled clients in these homes, continuing care retirement communities, the licensure of home care providers, certificate of public need and long-term care insurance, personal assistance needs of Virginians with physical disabilities and program components of Medicaid waiver services for people with physical and cognitive disabilities.

Long-Term Care Council Established. In 1982 the General Assembly established the Long-Term Care Council to provide leadership in the development of state policies and programs for the long-term care system, to assure that an appropriate mix of quality long-term care services are available, and to assure that services are targeted to the population in need within existing resources. Local long-term care coordinating committees were also established.

Case Management System Implemented. After releasing its 1990 report on the inadequacies in Virginia's long-term care system, the Joint Subcommittee on Health Care recommended the Long-Term Care Council implement a statewide case management system for elderly individuals in need of long-term care. In 1991, the Case Management for Elderly Virginians Pilot Project was established. Since that time, the project has assisted persons who might otherwise need nursing home care to remain in their own homes. Through the Project, a client assessment instrument and process for determining an individual's needs have been developed. The Uniform Assessment Instrument (UAI) is now being used by health and human resources agencies to determine an individual's need for publicly funded long-term care services.

Long-Term Care System Reform Recommended. Despite these earlier efforts, further reform in Virginia's long-term care system continued to be recommended. In 1992 the Virginia Association of Area Agencies on Aging and the Virginia Department for the Aging recommended a single state agency be established to address long-term care needs in the Commonwealth. The Secretary of Health and Human Resources also issued a vision paper on the delivery of long-term care services. Consolidation of state level functions, programs and services for long-term care was recommended. Also in 1992, the Joint Legislative Audit and Review Committee (JLARC) completed a study of Medicaid financed long-term care and reported on the potential growth in costs and suggested a number of cost control options.

Consolidation Plan Developed. In 1993 the General Assembly requested the Secretary of Health and Human Resources to develop a plan to restructure and consolidate all aging and long-term care programs. The legislature requested that the Secretary look at programs administered by the Department for the Aging, the Department of Health, the Department of Medical Assistance Services, and the Department of Social Services. To ensure that the plan had the input and guidance of all interested parties, the Secretary appointed a task force of persons representing organizations with an interest in aging and long-term care. The Long-Term Care and Aging Task

Force held public forums statewide to receive comments on how the task force should structure its work, drafted preliminary recommendations, and held public hearings statewide to receive comments on the draft proposals. The task force's final report, contained in House Document No. 44 (1994), set forth a plan to consolidate long-term care and aging functions from the four state agencies into a restructured agency which would be responsible for the planning, administration, management, development, regulation and funding of long-term care and aging services. The report also recommended creation of an advisory group to assist in the further development of local long-term care and aging service delivery systems.

In response to the report of the Long-Term Care and Aging Task Force (House Document No. 44) and additional comments received, the Joint Commission on Health Care supported the introduction of legislation to establish a consolidated agency. House Bill 1267 and Senate Bill 575 were introduced in the 1994 Session of the General Assembly to establish a Department of Aging and Long-Term Care Services to consolidate long-term care and aging functions, programs and services from four state agencies into a restructured agency. The following functions and programs were recommended to be included in the consolidated agency:

- all functions, programs and services of the Department for the Aging; including in-home and adult day care services, home delivered and congregate meals, respite care, transportation and the Long-Term Care Ombudsman Program;

- licensing and certification of nursing homes and home care organizations from the Department of Health;

- licensing of adult care residences and adult day care providers from the Department of Social Services; and

- long-term care medical assistance services including nursing home and home care provider rate setting, audit and cost settlement, information management, home and community-based care waiver administration and long-term care service pre-authorization and nursing home pre-admission screening from the Department of Medical Assistance Services.

The task force also recommended including in the consolidation adult services, adult protective services, and the auxiliary grants program from the Department of Social Services. It was determined, however, that further review of these programs was needed and therefore they were not included in the legislative proposal.

Current Efforts to Improve Virginia's Aging and Long-Term Care Services

The 1994 General Assembly carried over the legislation (HB 1267 and SB 575) to establish the Department of Aging and Long-Term Care Services to the 1995 General Assembly. The Secretary of Health and Human Resources expressed support for the concepts reflected in the proposed consolidation and recognized the importance of streamlining the planning, administration, and management of services at the state level. The Secretary believed that delaying action on the legislation until 1995 would provide the opportunity to assess the costs, savings and long-term implications of the proposal, and its ability to meet the long-term care needs of the people.

The 1994 Virginia General Assembly passed House Joint Resolution No. 209 (see Appendix 1) which requested that the Secretary of Health and Human Resources, in cooperation with appropriate state agencies, including representatives of the Secretary of Finance, local service delivery agencies, local governments, affected consumer and provider organizations, and representatives of the Long-Term Care Council and the Governor's Advisory Board on Aging, review the plan for state-level consolidation of certain long-term care and aging services within a single state agency and develop a plan for the coordinated delivery of such services at both the state and local level. The resolution requested the plan address the manner in which long-term care and aging services currently available through the State Department of Social Services and local departments of social services, including adult services, adult protective services and auxiliary grant payments, will be delivered and identify any state and local costs associated with the plan. The Secretary's plan for state level consolidation is contained herein.

An advisory group was established (see Appendix 2) to assist the Secretary in developing the plans. Representatives of local service delivery agencies, local governments, consumer and provider organizations, and the Governor's Advisory Board on Aging were invited to serve on the advisory committee. In addition to providing guidance on the state level consolidation, the Advisory Committee on the Consolidation of Long-Term Care and Aging Services will assist the Secretary in preparing recommendations for coordinating and enhancing the delivery of services at the local level. As requested by the resolution, the plan for local level coordination will emphasize accessibility for consumers and will ensure that the local system for delivering services includes the development of a network of connected, collaborative care planning, authorizing and delivery entities which have comprehensive responsibility for consumer outcomes; that the service delivery system emphasizes accessibility, including resource co-location; that informal voluntary and private resources are fully used in the delivery of services; and that any changes in the system for delivering services will not shift costs to localities or require any unfunded mandates. The plan for coordinating and enhancing local level service delivery is due October 15, 1995.

III. THE NEED FOR REFORM OF AGING AND LONG-TERM CARE SERVICES

There are several trends which make aging and long-term care a significant public policy issue and which suggest changes are needed in the way in which aging and long-term care services are managed and delivered. They include:

Increased Longevity and an Aging Society. In the past twenty-five years, the U.S. population as a whole increased by one-third, while the elderly population has nearly doubled, and the 85 and over population has nearly tripled.[1] Ten million persons living in the community have disabilities; 30 percent have significant functional or cognitive impairments requiring long-term care services.[2] These trends hold true for Virginia as well. According to U.S. Census figures, Virginia experienced a 55.3 percent increase in its nursing home population from 1980 to 1990. Projections for the growth of the elderly population for the Commonwealth indicate that the number of older persons will continue to grow. Older adults are the fastest growing segment of the population. There are currently more than 900,000 Virginians age 60 and older, representing almost 15 percent of the Commonwealth's total population. From 1990 to 2010 the numbers of elderly will increase approximately 27 percent for persons age 65 to 74; 38 percent for persons age 75 to 84; and 97 percent for persons over 85.[3] The demand for supportive services for people with disabilities will also increase.

Rising Need for Long-Term Care. Medicine and technology have substantially reduced the risk of death from most acute infections. Medical conditions which formerly meant an early death may persist for years, putting more individuals at risk of needing assistance to perform essential daily activities. An estimate of the likelihood of entering a nursing home for a person aged 65 and older ranges from 30 to 40 percent.[4]

Changes in Capacity to Sustain Informal Caregiving. The majority of long-term care will continue to be provided by the family. Historically, women have provided the majority of informal care to persons needing long-term care. However, because half of all women (75 percent of the baby boom generation) work outside the home, their capacity to provide caregiving is diminished.[5] In a 1985 study of public and private costs of long-term care in Virginia, it was found that 94 percent of individuals who remained in the community received some type of informal caregiving and these caregivers provided an average of 122 hours of services a month.[6] Caregivers, primarily mothers, wives, and daughters, may be in the paid work force and therefore, are prevented from caring for family members or may need help to maintain or assume care for the elderly.

Insufficient Capacity to Sustain Long-Term Care Funding. In 1990 there were five persons in the work force for each person over the age of 65; by 2030 there will only be three persons working for each retired person.[7] With the reduced percentage of workers compared to the retired population, future taxpayers will be less able to support the level of public expenditure that will be required to cover long-term care costs when the demand for those services will be the greatest.

Rising Long-Term Care Costs. Growth in the population needing long-term care, diminishing capacity of family members to provide long-term care to families on a full time basis, inflation in health care that is twice the rate of regular inflation, and the cost of new medical technology has increased the cost of public and private expenditures for long-term care.[8] The Commonwealth pays one half of the cost of Medicaid. Twenty-six percent of home health and home care expenses for the elderly are paid out of pocket, 28 percent are paid by Medicare, 23 percent are paid by other government sources, and 23 percent are paid by Medicaid.[9]

Virginia Has an Inadequate Service Delivery System for Long-Term Care. In 1993 the Long-Term Care and Aging Task Force reported that Virginia's long-term care system:

- pays too little attention to the magnitude of the problems customers face by focusing on the service that can be provided rather than on individual unmet needs;

- intervenes with customers at a point that is often too late to be effective or cost-efficient;
- fragments service delivery by utilizing parallel programs which serve similar populations with little coordination at either the state or local level;
- fails to recognize that customers are part of families and communities and that, as a result, long-term care services often do not support family and community life; and
- is too categorical, too inflexible and too impersonal to allow for the individualized attention critical to improved outcomes derived from tailoring services to fit customer needs.

Substantial sums of money are being spent on a system that often offers the elderly and people with disabilities few options and which may require them to leave their home to receive services. Shifts in the population's age distribution have important implications for the financing and delivery of all human services and create a need for a more responsive system for the planning, management, financing, and delivery of long-term care services. Because the shift is imminent, improvement in the state level administration of aging and long-term care services for the elderly and people with disabilities is necessary before Virginia's service and financing structure is overwhelmed by the demographic and sociological changes. The inadequacies in Virginia's service delivery system outlined above, also demand attention.

IV. PROPOSED STATE LEVEL CONSOLIDATION OF AGING AND LONG-TERM CARE SERVICES FOR THE ELDERLY AND PEOPLE WITH DISABILITIES

To guide the future of aging and long-term care services for the elderly and people with disabilities and to provide the management and delivery structure necessary to accomplish the efficient and effective delivery of those services, Virginia needs a simplified system of administration at the state and local level. The proposal for reforming the state level administration of long-term care and aging services was developed in cooperation with representatives of the Secretary of Finance and the Long-Term Care Council and is contained in this report. Recommendations regarding any needed changes in the delivery of services at the local level will be developed by the Secretary of Health and Human Resources and the Long-Term Care Council with the participation of the Advisory Committee on the Consolidation of Long-Term Care and Aging Services and local governments and service providers.

Goals of the Proposed State Level Consolidation

Long-Term Care is a system of policies, programs, financing and delivery that provides social, health, and related supportive services to persons of all ages who are limited in their ability to perform activities of daily living on a regular basis. **Aging services** are a continuum of social, health and related supportive services provided to persons of all ages.

The goal of the proposed state level consolidation of aging and long-term care services for the elderly and people with disabilities is to promote self-sufficiency, dignity, independence, service options, and quality of life for people who are elderly and people with disabilities who may need long-term care services. The state level consolidation should include services designed to support and strengthen the informal care given by families and volunteers, preventive services and programs, and a continuum of quality, affordable services to provide services and assistance in a person's home, by means of personal care services, or in the community, by means of adult day care, or care in an adult care residence or nursing home.

Guiding Principles

Four basic principles - **empowerment, prevention, quality, and efficiency** - were employed to guide the development of the state level consolidation proposal. Consolidation addresses these principles in a number of ways.

Empowerment. The consolidation of state level aging and long-term care services promotes consumer empowerment by:

- Focusing services on individual customer needs - not on categorical funding streams;
- Providing choice and flexibility among an array of service options;
- Providing services most appropriate to an individual's needs;
- Supporting care given by families and volunteers;
- Targeting services to persons with the greatest need;
- Improving access to services for consumers and providers through establishment of a single contact point for long-term care services at the state level;
- Providing the mechanism for the creative development of an array of flexible programs and services which are designed to meet an individual's unique and changing needs and which are provided in the least restrictive environment;
- Providing in one place, at the state level, protection, public education and consumer information and a grievance system which provides for complaint handling and resolution;
- Eliminating the need for consumers to file multiple applications and undergo multiple assessments; and

- Encouraging the development of public/private partnerships with individuals, organizations and businesses. Because of a single-focus, the state's efforts can be more effective (e.g. long-term care insurance).

Prevention. The consolidation of state level aging and long-term care services will enhance the state's ability to promote prevention by:

- Providing strong state leadership and expertise in aging and long-term care;
- Providing the opportunity to better plan and respond to current and future needs;
- Furthering the development of an array of affordable and quality home, community-based and residential services which focus on preventive services, supporting care given by families and volunteers, and empowering consumers;
- Combining multiple funding streams and programs so that an emphasis can be placed on activities to assist individuals to live as independently as possible and to prevent unnecessary institutionalization; and
- Controlling the growth in expenditures by combining funding for programs and services and providing a single accountable authority for the use of these funds.

Quality. The consolidation of state level long-term care and aging services will promote quality by:

- Ensuring coordination and consistency in program development and implementation;
- Providing adequate monitoring and regulatory oversight of providers to ensure the delivery of quality services;
- Ensuring the availability of comprehensive care planning and management for consumers of services;
- Providing an evaluation component to assess quality, effectiveness, and cost;
- Developing and implementing programs in a coordinated and consistent way to best ensure that the Commonwealth's resources are maximized and that their expenditure is based upon established values and principles; and
- Furthering the development of a single information system which can track services and funds to the individual served.

Efficiency. Consolidation will provide for the efficient delivery of aging and long-term care services by:

- Consolidating and streamlining planning, administration, management, program development, regulation, and funding of programs and services from multiple state agencies;
- Establishing responsibility and accountability with one agency at the state level;
- Providing a single state plan for long-term care;
- Combining Medicaid state plan, Medicaid waiver funding, Older Americans Act, Social Services Block Grant for Adult Services, and General Funds in one entity for more rational resource allocation. Virginia will be the first state to have a single organizational unit responsible for administering four major federal programs;
- Combining policies for home, community based and residential services in a single state agency to ensure that the state's long-term care program goals are carried out in an effective and efficient manner;
- Co-locating services and programs to improve access for both consumers and providers;
- Reducing fragmentation and duplication of functions, programs and services, and simplifying and reducing the costs of administration;
- Reducing the number of agencies that regulate providers;
- Integrating licensing and certification and resource development with program development and funding, including rate setting and regulations;
- Implementing reimbursement policies that support goals for cost efficient, quality services;
- Maintaining demographic and service utilization information for multiple service programs and making it available for planning, program development and management and for consumer, provider and local government use;
- Conducting planning and research for program development, including facilitating the development of appropriate manpower to ensure an adequate pool of providers;
- Ensuring program data and management statistics are kept uniformly so that all programs are accountable in the same way and to the same extent;

- Providing new opportunities for cost containment by promoting efficient mechanisms to maximize funding for administration and service delivery;
- Reducing the number of state agencies responsible for programs serving the same population and by minimizing the need for staff by co-locating related programs;
- Reducing duplication in licensing inspections; complaint investigations; and program monitoring;
- Maximizing federal financial participation;
- Reducing consumers' frustrations with service delivery and barriers to services by removing rigid categorical requirements;
- Providing a single focal point for providers by consolidating and streamlining processes for contracting, payment, regulation, and enforcement;
- Reducing the number of state agencies to which local agencies must report; and
- Maintaining an efficiently run organization which will enable us to further address the guiding principles of empowerment, prevention and quality.

Enhanced Opportunities

Reforming the management of aging and long-term care services through consolidation provides the means to best use limited resources by providing a single accountable authority and by developing consistent comprehensive policies for the use of these funds. By combining multiple funding streams and programs relating to the elderly and long-term care, emphasis can be placed on activities to prevent unnecessary institutionalization and assist individuals to live independently.

The consolidation also provides the opportunity to implement various demonstration models, such as the PACE model which integrates all health care for the frail elderly, or a Social Health Maintenance Organization model which would manage the social and health care needs for all long-term care consumers. Additional waivers for the people with disabilities will be easier to develop and implement and can be tailored to meet the needs of the younger population.

The consolidation will also allow for the development of one information system to maintain uniform demographic and service utilization information for multiple service programs. With one system, data will be available at the state level for planning, program development and management; and at the local level for consumer, provider and local government use.

By consolidating long-term care and aging services, we also enhance our ability to provide adequate preventive services. While services of the Department for the Aging are focused primarily on persons age 60 and over, with special emphasis on those with the greatest economic or social need, a variety of preventive services and information assist younger persons to prepare for future aging, to cope with and receive respite from caregiving responsibilities to elderly relatives, and to make informed choices about meeting their relatives' needs. The consolidation of the services of the Department for the Aging with the services to the elderly now housed in the other health and human resources agencies also strengthens the state's obligation to a state unit on aging, as required under the Older Americans Act and supports the Commonwealth's continued commitment to services to older persons and their families.

The proposed state level consolidation plan also includes services to the non-elderly. For example, under the Medicaid program, 18 percent of the nursing facility population, 27 percent of the personal care customers and 74 percent of the home health customers are under 60 years of age. The Departments of Social Services and Rehabilitative Services programs included in the consolidation also serve persons under 60 years of age. For example, 34 percent of Auxiliary Grant recipients in adult care residences are under 60 years of age.

Incorporating the family focus of adult services of the Department of Social Services, and the Department of Rehabilitative Services' program emphasis on empowerment, further improves our ability to meet the goals of promoting self-sufficiency, dignity, independence, service options and quality of life.

Functions, Programs and Services Identified for Consolidation

It is recommended that the following functions, programs and services currently provided by the following health and human resource agencies be consolidated:

Department for the Aging: All functions, programs and services, including

- the Long-Term Care Ombudsman Program;
- in-home and community based services such as homemaker, personal care services and adult day care;
- home delivered and congregate meals;
- respite care;
- elder rights, including guardianship;
- case management;
- information and referral;
- transportation; and
- related supportive services.

Department of Social Services:

- Adult Services;
- Adult Protective Services;
- Auxiliary Grants Program policy;
- Central and regional office administration of the above programs; and
- Licensing of adult care residences and adult day care providers.

Department of Health:

- Licensing and certification of acute and long-term care providers.

Department of Rehabilitative Services:

- Personal Assistance Services; and
- Centers for Independent Living.

Department of Mental Health, Mental Retardation and Substance Abuse Services:

- Utilization review of Medicaid mental retardation waiver and Medicaid mental retardation state plan option community services including case management; and
- Utilization Review of Medicaid mental health state plan option services including case management.

Department of Medical Assistance Services.

- Nursing home, home health and other long-term care provider rate setting, audit, and cost settlement;
- Long-term care information management support;
- Quality care assurance, including: home and community-based care waiver administration; home health utilization review; hospice program administration; nursing home patient class validation and utilization review; long-term care service pre-authorization;
- Nursing home pre-admission screening; and
- Fiscal, budget, internal audit, personnel, information management, and appeals functions related to long-term care.

Consideration will continue to be given to including additional long-term care related functions, programs and services currently housed in health and human resources agencies.

Plan for State Level Consolidation

As the previous plan for the state-level consolidation was reviewed, a variety of options for consolidation were explored, such as establishing an independent agency and consolidating long-term care and aging programs in other health and human resource agencies. Through this review it was determined that creating a new division dedicated to aging, disability and long-term care services and consolidating these functions, programs and services in the Department of Medical Assistance Services (DMAS) provided the best means to efficiently and effectively administer and manage state level functions. This approach is also consistent with the expectations expressed in House Joint Resolution 209 and with the preliminary recommendations of the Governor's Commission on Government Reform related to the efficient provision of services of state agencies.

Over the last seventeen years, the Commonwealth's interest in Medicaid-funded home and community-based care and support for independent living has grown. The following are highlights of this growth.

1977 Implemented the nation's first nursing home pre-admission screening program. The program helps individuals and families explore alternatives to nursing home admission.

1982 Began personal care coverage under the second Medicaid home and community-based waiver approved in the nation. This service provides an alternative to nursing home care.

Implemented the nation's first uniform assessment instrument for all Medicaid funded long-term care services.

1983 Implemented the nation's first statewide long-term care client level data base for Medicaid-funded services, the Long-Term Care Information System.

1988 Implemented the Technology Assisted Waiver for technology dependent children which makes it possible for children with serious medical conditions to be cared for in the home instead of a hospital.

Began providing Medicaid coverage for intensive rehabilitative services for persons who have serious accidents or burns resulting in major trauma or those who have serious neurological disorders.

1989 Expanded Medicaid community-based long-term care services to the elderly and people with disabilities to include respite and adult day health care.

Expanded Medicaid coverage to include prosthetic devices.

1990 Implemented the Medicaid-funded mental health, mental retardation community service initiative of the Department of Mental Health, Mental Retardation and Substance Abuse Services to provide support services for persons with chronic mental illness and persons with mental retardation.

1991 Initiated the home and community-based waiver to provide support services for persons with AIDS.

Initiated the home and community-based waiver program for individuals with mental retardation, who are at risk of admission to an institution.

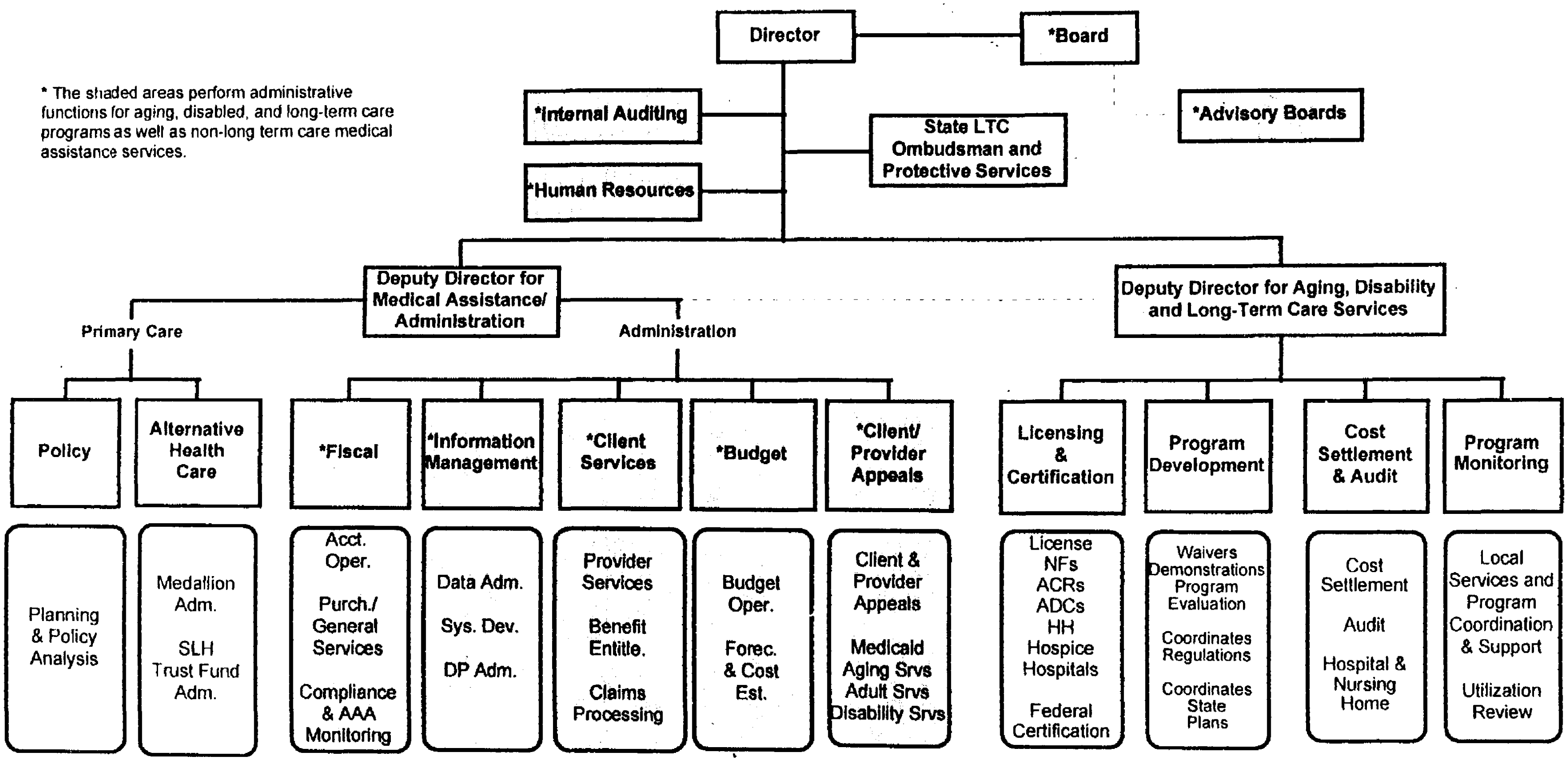
Implemented a program for case management for dependent elderly Virginians.

Began providing coverage of hospice services in lieu of coverage in a long-term care setting.

1992 Initiated pilot programs with local school divisions to provide rehabilitative services in the school setting. This was expanded statewide in 1993.

Department of Medical Assistance Services

* The shaded areas perform administrative functions for aging, disabled, and long-term care programs as well as non-long term care medical assistance services.



10/94

Creating a new division dedicated to aging, disability and long-term care services and consolidating long-term care and aging functions, programs and services within the Department of Medical Assistance Services offers the following benefits, in addition to the benefits of consolidation:

- One agency will administer the State Plans for Medical Assistance and the Older Americans Act;

- DMAS' resources will be utilized to the greatest extent possible. The majority of the state level aging and long-term care related administrative functions and funding are currently housed in the Department of Medical Assistance Services (see Appendix 3);

- Administrative functions, such as the following, will be further streamlined:
  - budget,
  - fiscal management,
  - claims payment,
  - information management,
  - client/provider appeals,
  - program monitoring,
  - cost settlement and audit, and
  - rate setting;

- Contracts with DMAS will not be necessary for claims payment, cost settlement and audit, information management, provider enrollment, internal audit and appeals;

- DMAS' focus on fiscal efficiency will be combined with a heightened emphasis on consumer choice;

- Future integration of acute and long-term care, if that is desired, will be possible;

- The fewest number of existing entities will be disrupted, administrative costs will be reduced and a smoother transition will be possible; and

- There will be less disruption for local departments of social services as they would continue to relate to DMAS as they do now for Medicaid eligibility determination and nursing home pre-admission screening functions.

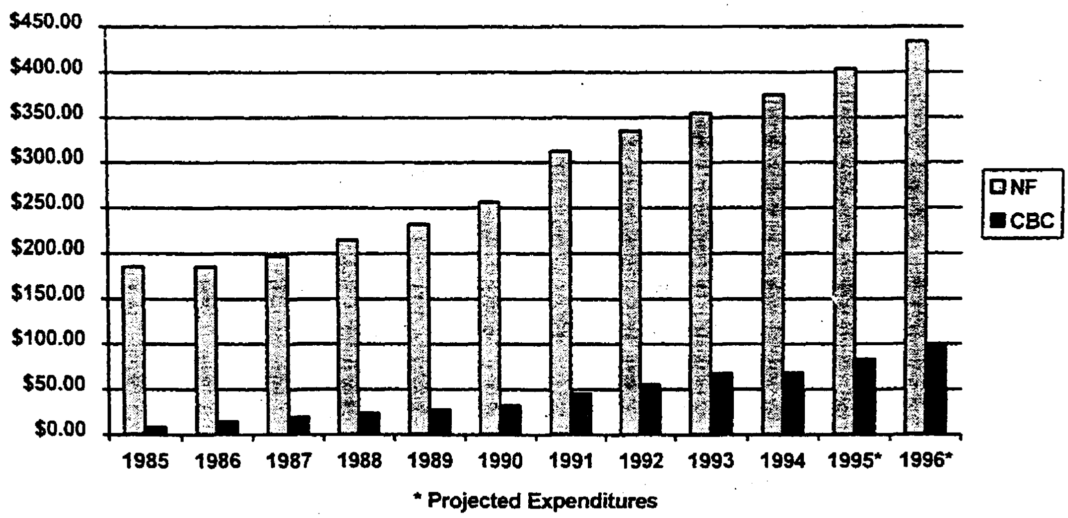
Following the consolidation, the Division of Aging, Disability and Long-Term Care Services will be established and the agency will be organized as illustrated on the following page.

1994 Expanded the home and community-based waiver for persons with mental retardation.

Proposed an additional waiver to provide funds to implement assisted living support and case management services to Auxiliary Grant recipients in licensed adult care residences.

The following chart illustrates the growth of Medicaid expenditures for nursing facility and community-based care.

Growth in Medicaid Expenditures
For Nursing Facility and Community-based Care
(In Thousands)

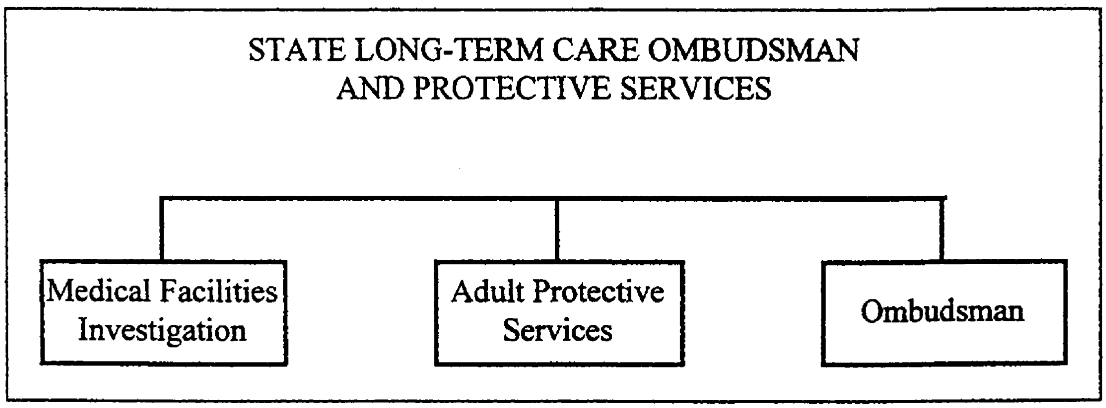


The Department of Medical Assistance Services currently has contracts with over 21,000 providers, both public and private, including every local health department, every department of social services, every community services board and most area agencies on aging. DMAS has used local service delivery systems to provide needed services.

Since 1985, Medicaid expenditures for institutional services have grown 234 percent while, through development and implementation of waivers, Medicaid's expenditures for home and community-based alternatives to institutional care have increased 1281 percent. Although the growth of Medicaid expenditures for less costly home and community-based care has been dramatic, increased coordination of the Commonwealth's resources for long-term care, including those now administered by other health and human resources agencies, will afford greater opportunity to better plan the development of efficient and effective programs which support family caregivers and promote independence.

Functions of the Operating Units in the Consolidated Agency

State Long-Term Care Ombudsman and Protective Services. The Office of the State Long-Term Care Ombudsman and Protective Services will carry responsibility for receiving, investigating, and acting on reports and complaints concerning the care and treatment of people who lack essential services, receive inappropriate services, or who experience exploitation. This Office will serve as an agent of the State to act in the best interest of its customers; will act as an agent for consumer protection; will develop policies for investigating complaints of abuse, neglect, or exploitation; will investigate complaints of care in long-term care facilities and other providers; and will coordinate all agency enforcement actions resulting from the findings of complaint investigation and licensing and certification activities. The following chart illustrates the organization of this unit.



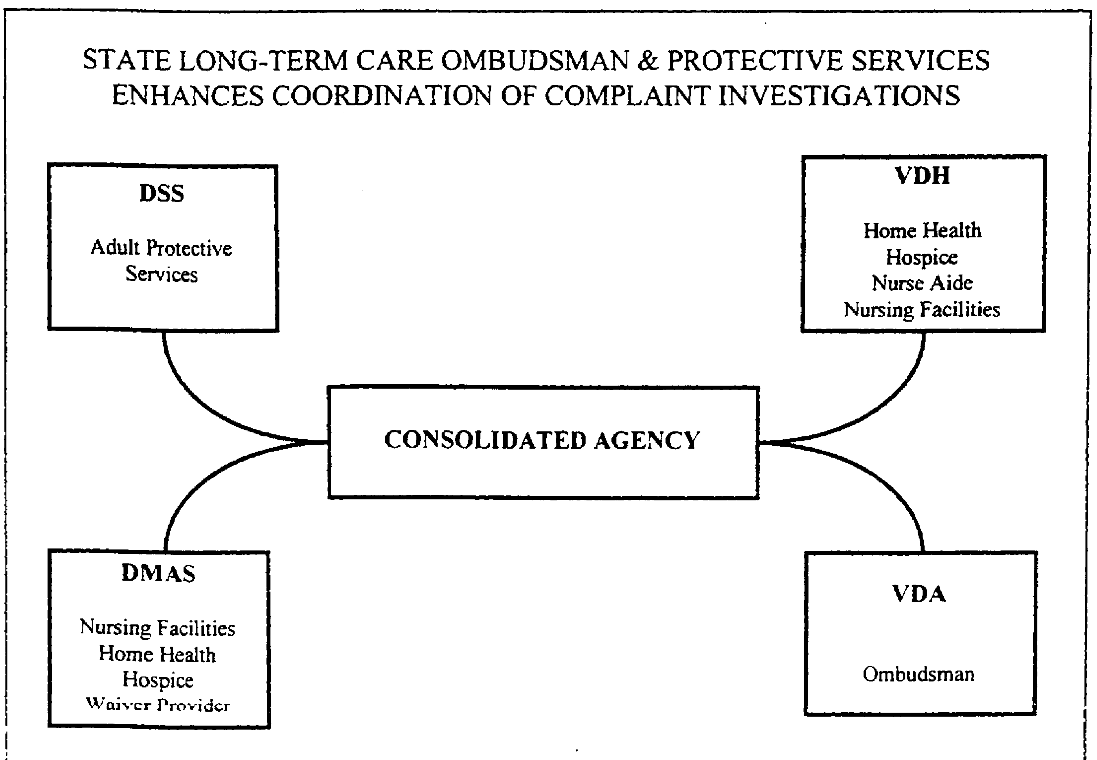
There are basic and important similarities in the overall objectives and functions of Adult Protective Services (APS) and Long-Term Care Ombudsman programs even though there are important distinctions and differences in the history and development of the two programs and in the roles of ombudsmen and APS workers. Vulnerable people who are in distress turn to both programs for intervention and assistance. These individuals may need the services of either or both programs and by coordinating their efforts, the programs can assure that the people who turn to them receive the assistance they need but can also reduce unnecessary duplication in investigation and service delivery.

Blending and meshing the objectives and functions of complaint investigation, Adult Protective Services and Long-Term Care Ombudsman programs provides an increased opportunity for the agency to effectively protect the rights and safety of its customers. The Office of State Long-Term Care Ombudsman and Protective Services:

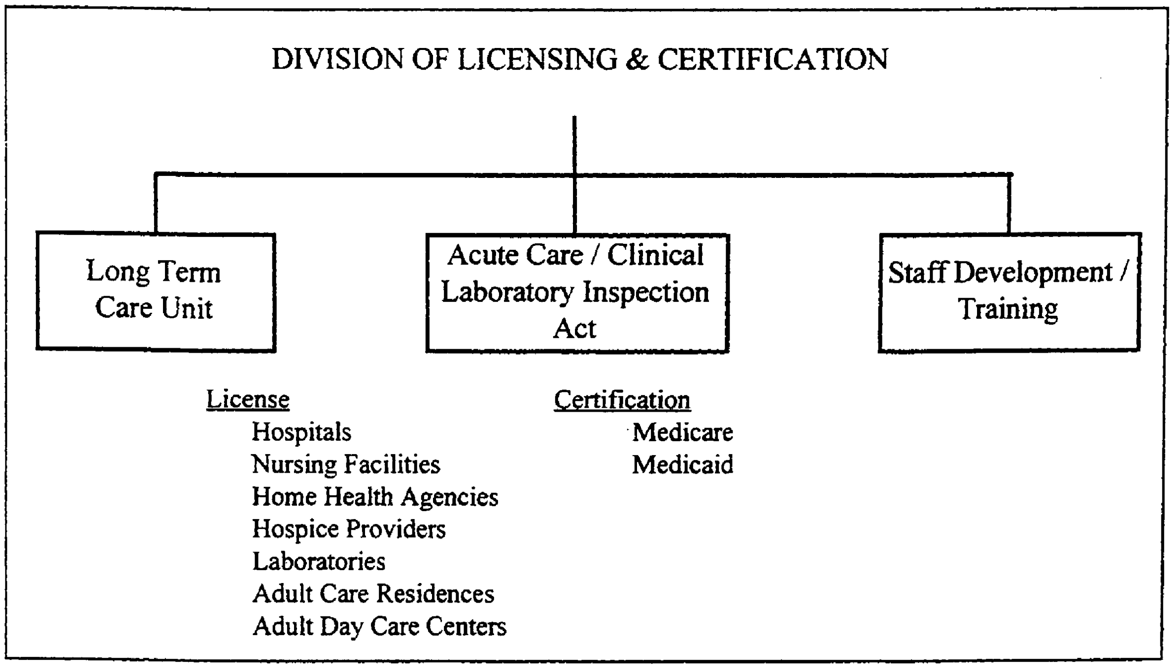
- Consolidates complaint investigation of four state agencies;
- Co-locates enforcement authority and strengthens enforcement activities;
- Strengthens the role of the State Ombudsman, including its efforts to provide consumer education and consumer counseling;

- Allows for cross-training and federal certification of complaint investigators;
- Separates complaint investigation and complaint resolution functions from the appeal process;
- Ensures implementation of appeal decisions throughout the agency;
- Provides a centralized register of all complaints;
- Provides an internal mechanism to ensure that the agency head is aware of consumer concerns and complaints about services;
- Provides an internal mechanism for identifying needed improvements in services;
- Provides an enhanced opportunity for the development of comprehensive policies, programs and services on guardianship and other alternative decision making mechanisms such as representative payees, power of attorney and advance directives; and
- Facilitates the coordination of the Ombudsman and Adult Protective Services Programs at the state level.

The following chart illustrates the coordination of complaint investigations which are currently housed at four separate agencies.



Division of Licensing and Certification. Licensure and/or certification of providers will be the primary functions of the Division of Licensing and Certification. This Division will serve as the single authority at the state level with responsibility for the licensure and/or certification of hospitals, nursing facilities, adult care residences, adult day care centers, home care and hospice providers and clinical laboratories. These providers are currently subject to state and federal licensure and certification. As a part of its regulatory functions, the Division will also carry responsibility for staff development and training of licensed providers. The unit will be organized as illustrated:



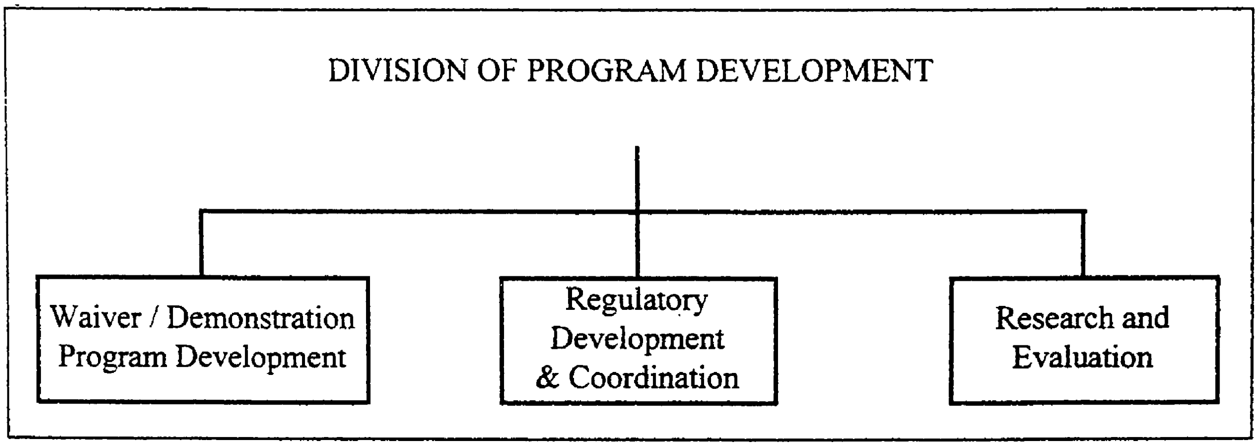
By combining the licensing authority, responsibilities and functions currently administered by the Departments of Health and Social Services, the consolidated Division of Licensing and Certification will:

- Reduce the duplication of licensing functions;
- Eliminate duplicative inspections of the same facility or provider;
- Permit cross training of inspectors so that they can be used more efficiently to inspect more than one type of facility or provider;
- Improve the qualifications of inspectors through cross training;
- Ensure that trained health professionals are available to review adult care residents who have health needs;
- Reduce employee travel by reducing the total number of separate inspections;

- Minimize the number of inspectors required; and

- Clearly identify the regulatory entity with licensure/certification authority for all long-term care services.

Division of Program Development. The Division of Program Development will carry responsibility for all aging and long-term care planning, new program innovation and development, research, and regulatory coordination. The unit will be organized as illustrated:



By combining and consolidating functions that are currently performed by six health and human resources agencies, this Division will:

- Coordinate the State Plans for Medicaid, Older Americans Act and the Adult Services Program portion of the Social Services Block Grant;

- Consolidate programmatic and regulatory development to promote consistency and provide a single accountable entity for the general public and providers. For example, the state can have one regulatory policy for personal care services rather than four;

- Focus on program innovations (waivers, demonstration projects, grant applications) in order to improve the service delivery system and make best use of limited resources;

- Concentrate resources in one state entity to review and respond to long-term care reform efforts and state and national trends; and

- Provide an on-going evaluation of program efficiencies and effectiveness in achieving measurable goals.

DIVISION OF PROGRAM MONITORING

Community & In-Home Support Services*

- Local Program Coordination & Support including:
- Aging Supportive Services (e.g. meals, transportation)
- Adult Services (e.g. Chore, Companion)
- Personal Assistance Services for Persons with Disabilities
- Case Mgmt Coordination, Technical Assistance & Support to Local Programs
- LDSS Program Specialists
- AAA Program Specialists
- CILS Program Specialists
- Monitoring Local Services Delivery Programs
- Training for Local Agencies & Providers

Nursing Facilities Utilization Review

- Patient Intensity Rating System Validation
- Admission Authorization
- Level of Care Monitoring

In-Home Utilization Review

- Home Health Utilization Review
- Waiver Service Utilization Review
- Waiver Mgmt. & Reporting
- Admission Authorization
- Level of Care Monitoring

Rehabilitation Durable Medical Equipment Utilization Review

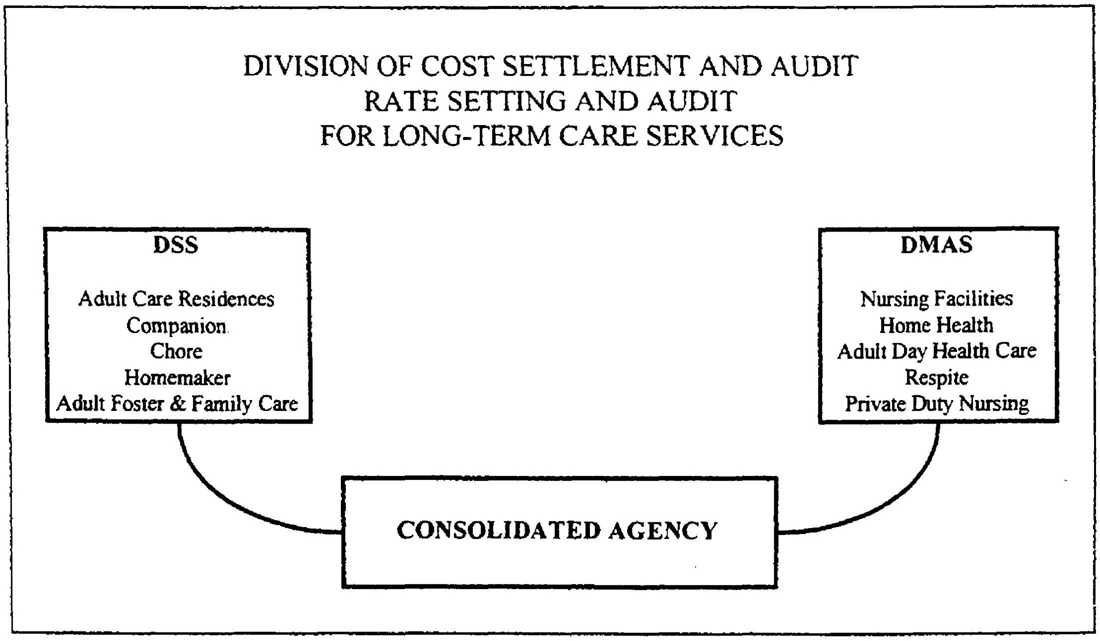
- Service Authorization Utilization Review

Community Mental Retardation Programs Utilization Review

- MR Waiver Utilization Review
- MR State Plan Option Utilization Review
- CSB Liaisons

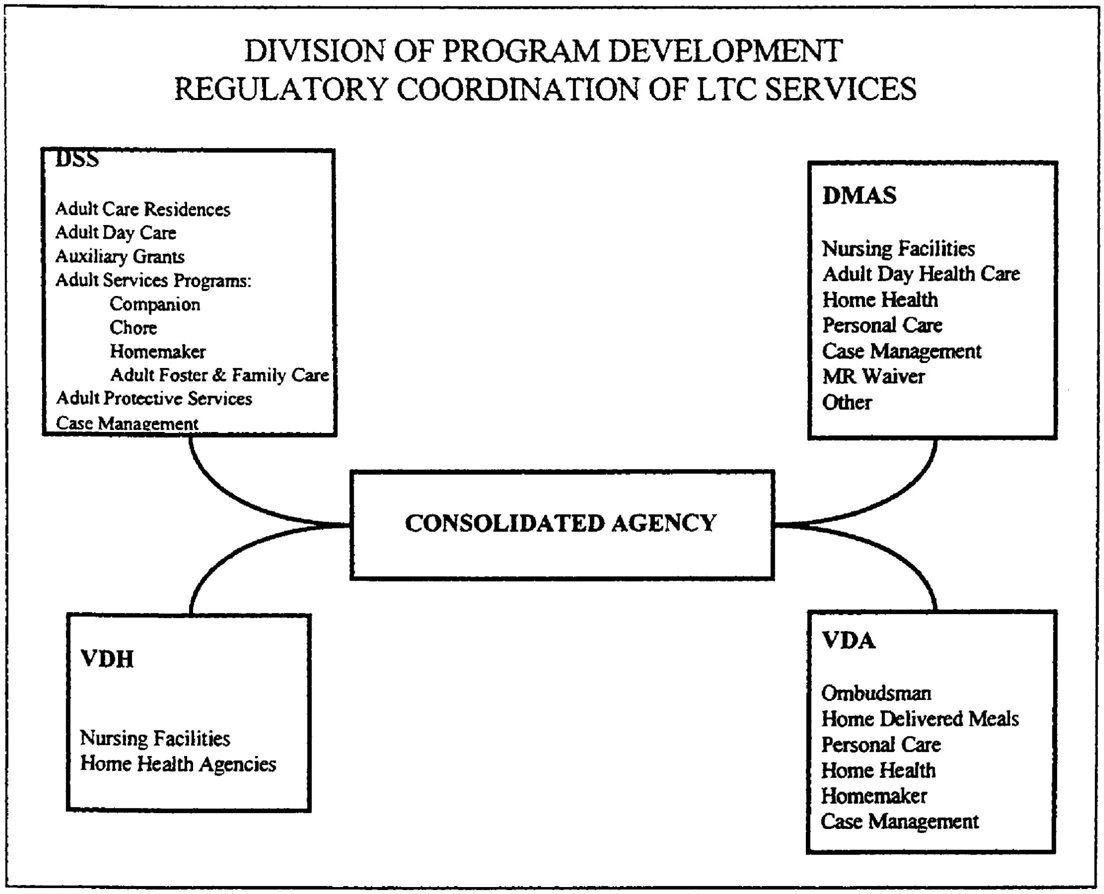
*From the Department for the Aging, Department of Social Services and Department of Rehabilitative Services

By utilizing the expertise of this Division which is currently housed in the Department of Medical Assistance Services, opportunities to implement consistent reimbursement methods for other long-term care services will be explored.

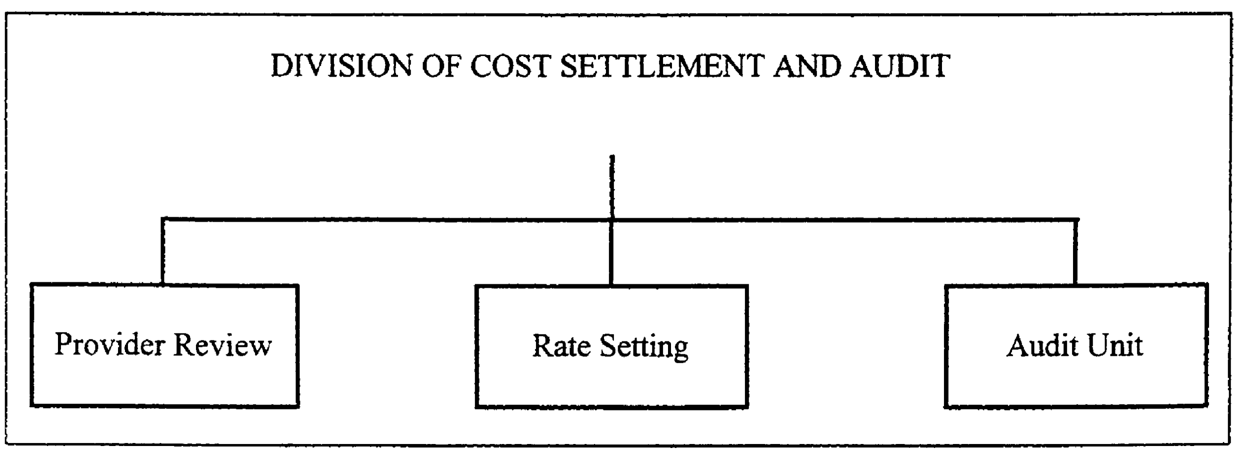


Division of Program Monitoring. The Division of Program Monitoring will ensure that established policies accomplish program goals. This organizational unit will oversee the implementation of established policies, provide technical assistance and training, develop and implement corrective action methods and procedures to ensure program compliance and evaluate the appropriateness and quality of the services provided. The following chart illustrates the organization of the Division of Program Monitoring and lists the current functions, programs and services of the Departments of Aging, Social Services, Rehabilitative Services, Medical Assistance Services and Mental Health, Mental Retardation and Substance Abuse Services which will be included in the division. The first section includes the community and in-home support functions currently housed at the Departments for the Aging, Social Services, and Rehabilitative Services. The next three sections are currently housed at the Department of Medical Assistance Services, and the fifth section includes functions that are currently housed at the Department of Mental Health, Mental Retardation and Substance Abuse Services.

The following chart illustrates the coordination of long-term care services which are currently regulated by four separate agencies.

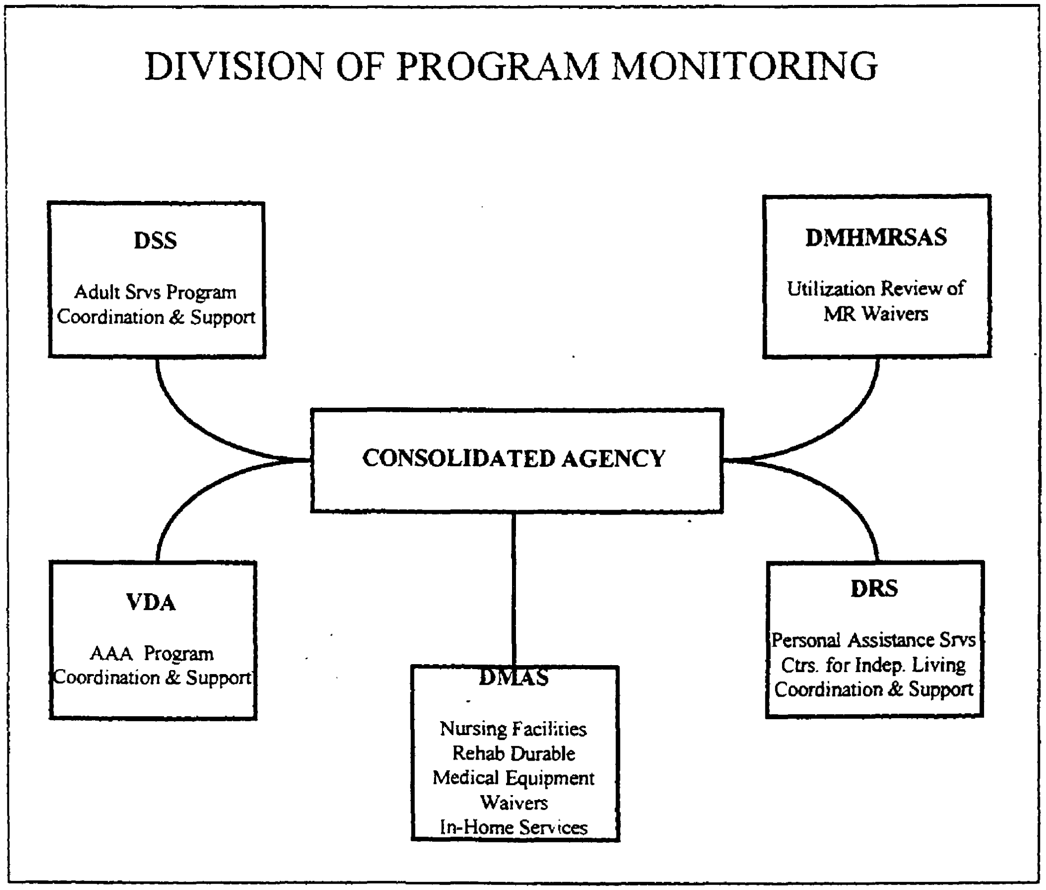


Division of Cost Settlement and Audit. The Division of Cost Settlement and Audit is responsible for developing provider reimbursement rates, reviewing provider cost reports, and conducting audits of providers' financial reports.



By combining and consolidating functions that are currently performed by multiple agencies at the state level, this reorganization:

- Reduces the number of state entities that local entities and providers must report to by combining program monitoring activities of five agencies, as illustrated below;



- Promotes uniform eligibility and service criteria;

- Co-locates monitoring of similar programs and services to ensure the consistent application of policies. For example, home care programs are now monitored by five separate agencies and licensed by a sixth agency. Through reorganization, only one agency would monitor home care programs;

- Promotes the continuity of services as the customer's needs change. For example, currently as many as four or more agencies may interact with clients at different times. When the consumer's needs change, he must often look to different agencies to receive the needed services. The reorganized structure will provide the mechanism to develop policies to ensure that the customer can continue to be served without disruption as his needs change;

- Provides a mechanism to support local efforts to streamline. The state's current organization discourages local level coordination and co-location of service programs;

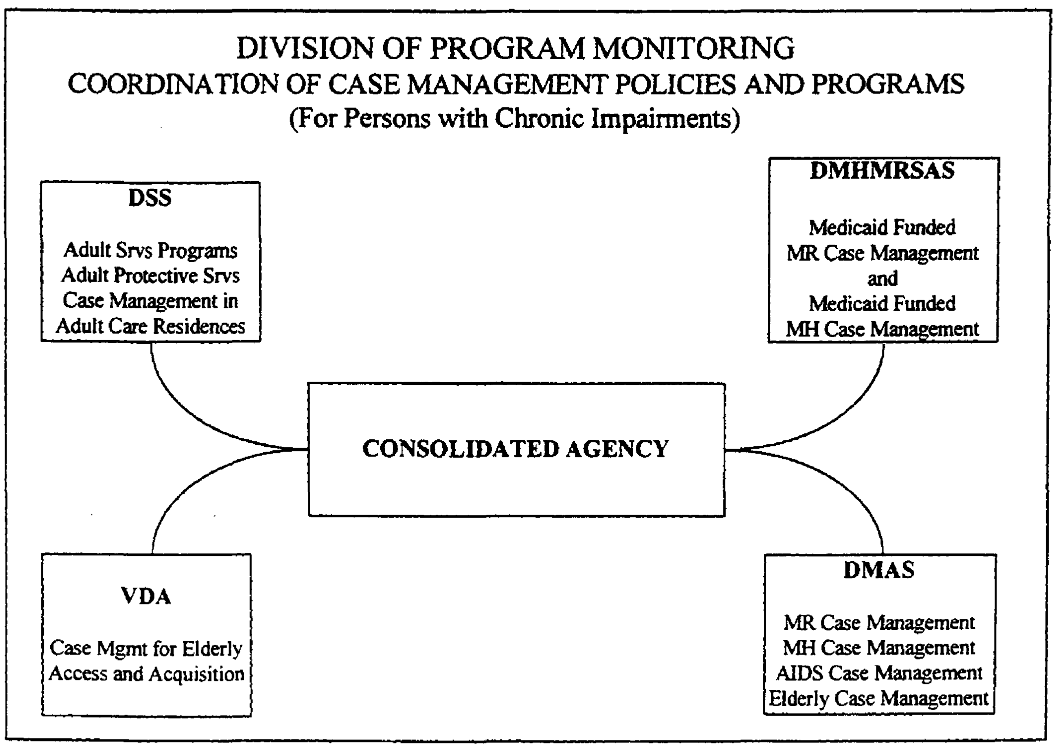
- Improves customer satisfaction with long-term care services. Customers complain that they neither know how to access services at the state level because of fragmentation nor to whom they should complain if they are dissatisfied. This reorganization establishes one accountable entity at the state level.

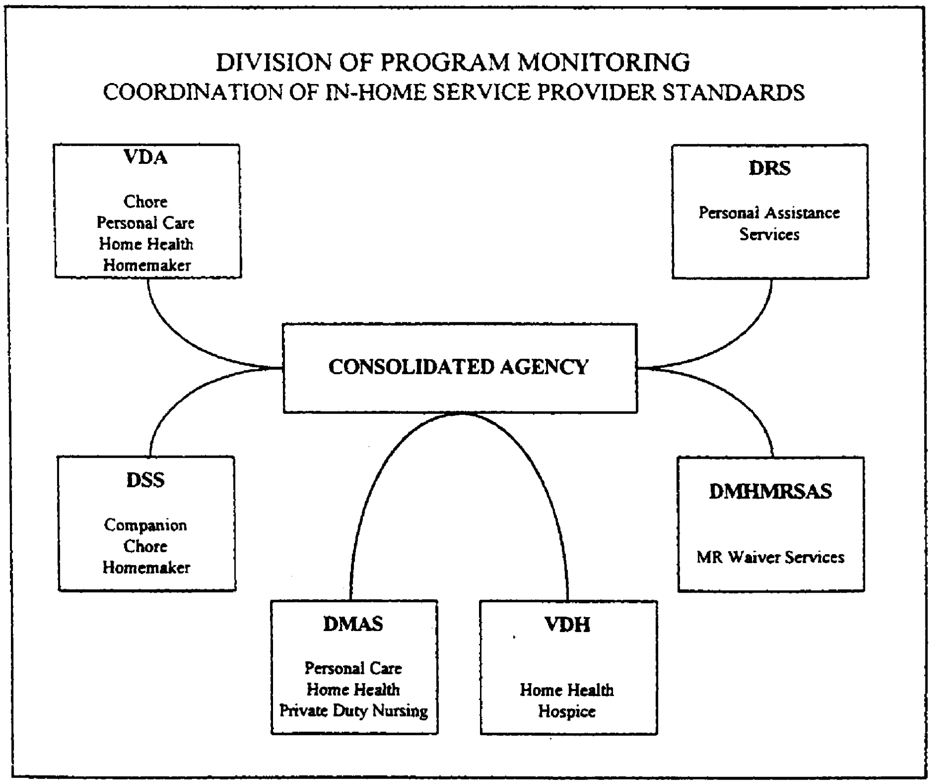
- Provides technical assistance and training of local service delivery programs and providers to assist them in understanding and adhering to program policy;

- Provides consistency in application of utilization review functions for all services and programs; and

- Provides the opportunity for additional streamlining at the state level as local level coordination, co-location and consolidation is implemented.

The following charts illustrate additional examples of current program policies of state agencies which will be incorporated in the state level consolidation.





Other Administrative Functions/Operations. Administrative functions and operations such as accounting, fiscal management, personnel, data processing, information systems development, claims processing, budgeting and appeals processes related to aging, people with disabilities and long-term care services and programs will be integrated within and throughout the consolidated agency's administrative divisions. Merging and integrating these functions will provide opportunities for administrative efficiencies and reduce administrative costs while also providing the necessary administrative support function for the management of aging and long-term care programs and services.

Board for the Consolidated Agency

To ensure that the policies of the consolidated agency reflect the expanded responsibilities of the Department of Medical Assistance Services, the composition of the board for the department should include consumers of aging and long-term care services. This composition will ensure the involvement of consumers in the development of programs and policies that will directly affect them.

It is recommended that the board's membership consist of thirteen residents of the Commonwealth:

- Seven of the members should be consumers:
  - One member of the Governor's Advisory Board on Aging;
  - One member of the Virginia Board for People with Disabilities;
  - One Medicaid recipient; and

- Four representatives who are citizens at-large (not health care or long-term care providers)

- Six of the members should represent health care providers and include:
  - One nursing home provider representative;
  - One adult care residence provider representative;
  - One hospital provider representative;
  - One physician representative;
  - One home care provider representative; and
  - One at-large provider representative (e.g. pharmacist, dentist, or nurse).

The newly constituted board should serve as the statutory entity authorized to prepare and amend the State Plan for Medical Assistance; for the promulgation of rules and regulations for the administration of the Indigent Health Care Trust Fund; and for establishing uniform eligibility criteria for the State/Local Hospitalization program. (These functions are currently performed by the board for the Department of Medical Assistance Services.) Consistent with the consolidation of aging and long-term care services for the elderly and people with disabilities, the board's responsibilities should include regulations and policies governing the Older Americans Act, the adult services and adult protection services portions of the Social Services Block Grant, Auxiliary Grants, and the licensing and regulation of nursing facilities, adult care residences, hospitals, home care organizations, adult day care centers and others.

Currently, the Governor's Advisory Board on Aging (§2.1-373) consists of 23 members who are selected and appointed by the Governor to advise the Department for the Aging in matters affecting the elderly. It is recommended that this advisory board be continued to provide guidance to the consolidated agency and that a member of this board be appointed by the Governor to also serve on the board for the consolidated agency.

The Virginia Board for People with Disabilities (§51.5-31-33) is composed of forty members, all appointed by the Governor. Membership includes at least twenty persons with developmental disabilities or the parents or guardians of such persons. The Board advises the Secretary of Health and Human Resources and the Governor on issues and problems of interest to persons with disabilities; submits biennial assessments of the needs of persons with disabilities in the Commonwealth; serves as the state planning council for the administration of certain federal public health and welfare laws; and reviews, evaluates and submits the state plan. It is recommended that a member of this Board also serve on the board for the consolidated agency.

Cost Benefits of the Aging and Long-Term Care Consolidation

Co-locating services and programs will result in administrative efficiencies by reducing fragmentation and duplication in functions, programs and services, and will simplify and reduce administrative costs. These savings will continue to accrue over time. Consolidation will provide the opportunity for the development and efficient and effective management of a system of services to meet the current and future needs of the citizens of the Commonwealth.

- Co-locating staff of the Department for the Aging with the Department of Medical Assistance Services at 600 East Broad Street will eliminate expenditures to maintain the current offices of the Department for the Aging ($300,000 through FY 97);

- Streamlining the present organization at the Department of Medical Assistance Services, the Department for Social Services, the Department for the Aging and the Department of Health will reduce the total number of positions employed in the programs. (Estimated GF savings FY 96 $250,000, FY 97 $500,000);

- Co-location of the Department for the Aging, Department of Social Services and the Department of Medical Assistance Services programs at the Department for Medical Assistance Services will maximize the coordination of the planning, development and funding of service programs;

- Co-locating staffs for licensing nursing homes and adult care residences will reduce duplicative inspections in facilities with both types of care (45 facilities in 1994) and will reduce travel time and expenses;

- Integrating and cross training the inspection staff for nursing homes and adult care residences will upgrade the training of adult care residence inspectors and provide staff with specialized skills to inspect adult care residences caring for residents with health care needs. Sixteen percent of the residents of adult care residences meet nursing facility level of care criteria;[10]

- Co-locating state-level protective services for adults will reduce present duplicative complaint investigations, strengthen enforcement activities currently administered in three state agencies and best ensure that this vital state role is effectively administered by assigning clear accountability to one entity. Better organization of state-level responsibility will promote more satisfactory state-local linkages for adult protective services; and

- Co-locating state-level programs serving the aging and people with disabilities with medical, long-term care and support services will position the Commonwealth to use the resources available through state and federal funds to address the growth in the aged and younger population with disabilities during the next twenty years.

The current funding for long-term care and aging services is contained in Appendix 3. The integration of functions which will result from the consolidation is contained in Appendix 4.

Concentrating the Commonwealth's expertise in long-term care in one agency will build a strong team approach to program planning and will enhance program implementation through clear links to community-level service coordination and delivery.

Local Impact of State Consolidation

During 1995, the Secretary of Health and Human Resources and the Advisory Committee on the Consolidation of Long-Term Care and Aging Services will develop recommendations for coordinating and enhancing the delivery of services at the local level. This will include a plan for the development of a network of connected, collaborative care planning, authorizing and delivery entities.

Implementation of the state level consolidation will not create any unfunded mandates or shift costs to local agencies. Inflation and increased demand for services as a result of demographic and sociological changes may however create the need for additional funding. This would occur regardless of consolidation.

Mechanisms will be employed during the implementation of the state consolidation to prevent disruption of programs currently administered by the local departments of social services, area agencies on aging and Centers for Independent Living. Existing lines of funding, communication and reporting used by these local entities will not be disrupted during the transition. Implementation of the state-level consolidation will also not cause the nature and amount of services provided directly to consumers to change. For one example, the customer-driven provisions of the Department of Rehabilitative Services Personal Assistance Services will be maintained.

Local level implementation planning will include planning for improved coordination of state and local roles and responsibilities. Any recommended improvements or changes in local service delivery systems will be included in the Secretary's report in October, 1995.

V. IMPLEMENTATION PLAN

Timetable for State Level Long-Term Care Consolidation and Local Service Delivery Plan Development and Implementation

October 1994

- Secretary of Health and Human Resources submits report on the state level consolidation plan to the Joint Commission on Health Care, the Governor and the General Assembly. Related legislation and budget amendments are drafted.

November 1994

- Advisory Committee on the Consolidation of Long-Term Care and Aging Services meets to review the charge set forth in HJR 209 for the delivery of services at the local level and to begin developing a work plan to develop recommendations to ensure the coordination and enhancement of service delivery at the local level.

December 1994

- Advisory Committee meets to identify local implementation, delivery and coordination of service issues.

January 1995

- General Assembly action on state level consolidation proposal.

- Advisory Committee meets to:

  A. Discuss the role of local government in long-term care and how to ensure that:
     1. the local service delivery system includes the development of a network of connected, collaborative care planning, authorizing and delivery entities which have comprehensive responsibility for consumer outcomes;
     2. the service delivery system emphasizes accessibility by consumers, including resource co-location;
     3. informal, voluntary and private resources be fully used in the delivery of services; and
     4. any changes in the delivery system not shift costs to localities or require any unfunded mandates.

  B. Consider alternate forms of service delivery.

February 1995

- General Assembly action on state level consolidation proposal continues.

- Advisory Committee meets to continue discussion and to plan regional work sessions with local officials to receive input and develop recommendations.

March 1995

- Regional work sessions regarding the development of recommendations for local delivery of services continue.

- Complete development of final implementation plan for state level consolidation and begin co-locating state staff.

April 1995

- Complete regional work sessions.

May 1995

- Advisory Committee reviews comments and recommendations received from regional meetings and drafts recommendations to the Secretary.

June 1995

- Report and plan for coordinating and enhancing service delivery at the local level drafted.

July 1995

- Consolidated state agency established and board members appointed.

August 1995

- Advisory Committee meets to review and provide comments on the draft report and plan for coordinating and enhancing service delivery at the local level.

October 1995

- Secretary's final report and plan for coordinating and enhancing service delivery at the local level submitted to the Joint Commission on Health Care, the Governor and the General Assembly. Related legislation is drafted, as necessary.

- Secretary prepares any necessary budget amendments to realign funds for service delivery at the local level.

- Secretary drafts legislative proposals to make any needed technical corrections and resolve issues that may have been identified as a result of the state level consolidation.

January 1996

- General Assembly action on local level service delivery system.

March 1996

- Prepare implementation plan for local service delivery system enhancements.

July 1996

- Implementation of coordinated and enhanced local level system for the delivery of aging and long-term care services for the elderly and people with disabilities.

APPENDICES

Appendix 1. House Joint Resolution 209

Appendix 2. Advisory Committee on the Consolidation of Long-Term Care and Aging Services

Appendix 3. Service and Administrative Funding: Long-Term Care and Aging Services

Appendix 4. Integration of Functions in the Consolidated Agency

Appendix 5 References

Appendix 1

HOUSE JOINT RESOLUTION 209

Requesting that the Secretary of Health and Human Resources, in cooperation with appropriate state and local agencies and organizations, review the plan for state-level consolidation of certain long-term care and aging services within a single state agency, and develop a plan for the coordinated delivery of such services at both the state and local levels.

Agreed to by the House of Delegates, March 10, 1994
Agreed to by the Senate, March 8, 1994

WHEREAS, the Commonwealth's policy for long-term care, as adopted by the 1993 General Assembly through House Joint Resolution No. 602, is to provide services to elderly individuals with programs and in settings which maximize their ability to function as independently as possible and which encourage the principles of personal dignity, a decent quality of life, individuality, privacy, and the right to make choices; and

WHEREAS, the number of elderly persons residing in the Commonwealth is expected to increase dramatically in the next 20 years; and

WHEREAS, long-term care has become the fastest growing component of the health care industry because of improved medical technology and changes in population demographics, longevity and morbidity; and

WHEREAS, long-term care and aging services should be delivered in the communities where the elderly and their families live; and

WHEREAS, the Long-term Care and Aging Task Force, established pursuant to House Joint Resolution No. 603 of the 1993 Session of the General Assembly, recommended a plan for the consolidation of state-level planning, administration, management, development, regulation, and funding of long-term care and aging; and

WHEREAS, the Task Force also reported that local flexibility in administration and delivery of services is essential but recommended that state guidance be provided regarding expectations for statewide service delivery; and

WHEREAS, any changes in the long-term care and aging services delivery systems at the state and local level should be accomplished in a manner that maximizes efficiency and effectiveness of the existing system and should not shift costs to localities or require any unfunded mandates for localities; and

WHEREAS, the Long-term Care and Aging Task Force recommended that a consolidated and restructured state-level long-term care and aging agency should be established and operational by January 1, 1995, and that there should be further study of the issues related to local service delivery systems; and

WHEREAS, the Joint Commission on Health Care concurred with the findings of the Task Force and recommended that long-term care services at the state level be consolidated by July 1, 1995, and that local service delivery systems become operational as soon as possible but by no later than January 1, 1998; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Secretary of Health and Human Resources, in cooperation with appropriate state agencies, including representatives of the

Secretary of Finance, local service delivery agencies, local governments, affected consumer and provider organizations, and representatives of the Long-term Care Council and the Governor's Advisory Board on Aging, be requested to review the plan for state-level consolidation as proposed in House Bill 1267 and Senate Bill 575 of the 1994 Session of the General Assembly, and present a plan to ensure coordination and enhancement of service delivery at both the state and local levels; and, be it

RESOLVED FURTHER, That the Secretary's implementation plan shall address the manner in which long-term care and aging services currently available through the State Department of Social Services and local departments of social services, including adult services, adult protective services and auxiliary grant payments, will be delivered and shall identify any state and local costs associated with the plan; and, be it

RESOLVED FINALLY, That the Secretary's plan for delivery of services at the local level ensure that (i) the service delivery system include the development of a network of connected, collaborative care planning, authorizing and delivery entities which have comprehensive responsibility for consumer outcomes; (ii) the service delivery system emphasize accessibility by consumers, including resource co-location; (iii) informal, voluntary and private resources be fully used in the delivery of services; and (iv) any changes in the delivery system not shift costs to localities or require any unfunded mandates. Alternate forms of service delivery shall be considered and state and local costs associated with the implementation shall be identified.

The Secretary of Health and Human Resources shall submit findings and recommendations, including the state-level consolidation plan to incorporate services currently available through the State Department of Social Services and local departments of social services, to the Joint Commission on Health Care, the Governor and the General Assembly by October 15, 1994, and shall submit a final report to include a plan for coordinating and enhancing service delivery at the local level to the Joint Commission on Health Care, the Governor, and the General Assembly by October 15, 1995, as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Appendix 2

ADVISORY COMMITTEE ON THE CONSOLIDATION OF LONG-TERM CARE AND AGING SERVICES

The Secretary of Health and Human Resources established an advisory committee to assist in the preparation of recommendations for the state-level consolidation of aging and long-term care services for the elderly and people with disabilities and for the development of a plan for coordinating and enhancing service delivery at the local level. We wish to give special thanks and recognition to the advisory committee and to **William L. Lukhard**, who co-chairs the group.

MEMBERS	AGENCY OR ASSOCIATION REPRESENTED
Paul Boynton	Regional Planning Agencies
David Brown	Virginia Hospital Association
Dr. Dan Dickinson	Virginia Association of Local Health Directors
Michael Evans	Virginia Municipal League
John Greiff	Mental Health Association of Virginia
Patty Heath	Virginia Institute on Adult Daycare
Dr. Richard W. Lindsay	Governor's Advisory Board on Aging
Marcia Melton	Virginia Association of Nonprofit Homes for the Aging
Ann Morris	Virginia Association for Home Care
Mike Nichols	Central Virginia Independent Living Center
Michael Osorio	Virginia Association of Homes for Adults
John F. Peck, III	Virginia League of Social Services Executives
Robert Sager	Virginia Association of Counties
Dr. J. Howard Shegog	Old Dominion Medical Society
Tessa Shuk	The Individual and Family Support Syndicate of Virginia
Anne Smith	Virginia Association of Local Human Services Officials
Penn Smith	Virginia Health Care Association
Katie Summers	Commonwealth Coalition for Alzheimer's Advocacy
Jim Thur	Virginia Association of Community Services Boards, Inc.
Phyllis Tyzenhouse	American Association of Retired Persons
Prentiss Webb	Virginia State Council of Senior Citizens
Susan Williams	Virginia Association of Area Agencies on Aging

Appendix 3

SERVICE AND ADMINISTRATIVE FUNDING LONG-TERM CARE AND AGING SERVICES BUDGETED FOR FY '95

STATE AGENCIES: Long-Term Care & Aging Services	TOTAL	STATE FUNDS	LOCAL FUNDS	SPECIAL FUNDS (Includes Grants and Fees)	FEDERAL FUNDS
AGING (Includes Case Management Pilot Project)	**$26,908,636**	$8,831,916	AAAs receive local funds	$190,000	$17,886,720
HEALTH					
Licensing and Certification	**$4,731,358**	$1,366,884		$125,000	$3,239,474
MEDICAL ASSISTANCE SERVICES	**$720,288,430**	$359,325,295			$360,963,141
Administration	$9,138,436	$3,750,295			$5,388,141
Services to Individuals**	$711,150,000	$355,575,000			$355,575,000
MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICE	**$17,100,000**	$17,100,000			Match funds included in DMAS budget when growth funds transfer
Mental Retardation Waiver Growth	$17,100,000	$17,100,000			
REHABILITATIVE SERVICES	**$4,419,701**	$3,099,832		$18,120	$1,301,749
Centers for Independent Living	$3,662,581	$2,360,832			$1,301,749
Personal Assistance Services	$757,120	$739,000		$18,120	
SOCIAL SERVICES	**$47,426,208**	$20,779,174	$12,187,970		$14,459,064
Adult Protective Services and Adult Services (Includes Central/Regional Office Administration)	$13,919,300	$393,049	$2,710,689*		$10,815,562
Homes for Adults and Adult Day Care Licensing	$1,153,329	$1,153,329			
Auxiliary Grants Payments	$19,865,185	$16,554,321	$3,310,864		
Purchase of Service	$12,488,394	$2,678,475	$6,166,417		$3,643,502
TOTAL:	**$820,874,339**	**$410,503,101**	**$12,187,970**	**$333,120**	**$397,850,148**

Note: This funding includes services for those under age 60 who are currently being served.

* Estimated

**Includes $24,583,000 base funds for Mental Retardation Waiver

Appendix 4

INTEGRATION OF FUNCTIONS IN THE CONSOLIDATED AGENCY

AGENCY	ORGANIZATIONAL UNIT AFFECTED	ORGANIZATIONAL UNIT TRANSFERRED TO
AGING	All	Ombudsman & Protective Services Human Resources Fiscal Information Mgmt. Budget Program Development Program Monitoring
HEALTH	Health Facilities Regulation	Ombudsman & Protective Services Human Resources Fiscal Budget Licensing & Certification Program Development
DSS	Licensing & Adult Services Program Management	Ombudsman & Protective Services Fiscal Licensing & Certification Program Development Program Monitoring
DMHMRSAS	Portions of the Offices of Mental Retardation and Mental Health	Program Monitoring
DRS	Independent Living, Per. Assist. Services and Grants	Program Monitoring Fiscal
DMAS	Policy & Quality Assurance	Program Development Program Monitoring Alternative Health Care

CONSOLIDATED AGENCY SIZE: 571 staff

Appendix 5

REFERENCES

[1] Ball, Robert M. Because We're All In This Together: The Case for a National Long-Term Care Program (Washington, D.C.: 1989).

[2] 1990 Survey of Income and Program Participation, 1989 National Long-Term Care Survey.

[3] Virginia Employment Commission. Virginia Population Projections 2010. June 1993.

[4] Friedland, Robert B. Facing the Costs of Long-Term Care. Employee Benefit Research Institute 1990. Washington D.C.

[5] Bouvier, Leon F. and Carol J. Devita, "The Baby Boom--Entering Midlife," Population Bulletin 46:3 (November 1991).

[6] Virginia Long-Term Care Council. Study of Public and Private Costs of Long-Term Care in Virginia. 1985.

[7] Bouvier and Devita.

[8] Vermont Health Care Authority. Recommendations for Meeting the Needs of Vermonters into the 21st Century. November 1, 1993.

[9] Long-Term Care Campaign, Washington D.C. 1993.

[10] Virginia Long-Term Care Council. An Examination of Intensity of Service Needs in Virginia's Adult Care Residences. 1993.